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Rightsizing best way for companies to achieve cloud control

■ Stuart Corner

To move or not to move to the cloud is not the only question companies need to ask when considering the bottom line, as 10-year-old Australian company Hipages found out.

The Sydney-based home improvement directory has transitioned most of its IT systems from its own hardware to Amazon's public cloud - Amazon Web Services - but hasn't quite turned off its in-house capability.

Although many organisations are adopting cloud as a solution to

the capex-opex conundrum, Hipages vice-president of engineering Chris Iona said it was still cheaper to keep some processing tasks in-house.

"Cloud can get expensive depending on what you are doing," Iona said. "For some of the heavy processing it can be better to have a dedicated box. This is something we are evaluating on a weekly basis."

The company claims 40,000 trades and 500,000 clients on its database, and a job signed up every minute. It had profiled the hardware resources needed for its ap-

plications to determine whether they were best run on existing systems, or on the cloud or at a managed service provider.

"By putting things into Amazon and watching the consumption rates we can make a decision on where the application should live," he said, "but we have to make sure we keep on top of it. I watch the billing section of Amazon every day."

Kevin McIsaac, an analyst with IBRS, said that Amazon offered a wide range of pricing options and it was important to choose the most appropriate. "One the first things

you have to do when you go to the cloud is rightsizing. In-house systems are typically over-

provisioned to cope with peak loads. And AWS has multiple price tiers: if you are willing to make a one-year commitment the price drops significantly."

AWS also sells unused capacity, which can be very cheap.

Hipages Group was started as Viteklogies by David Vitek and Roby Sharon-Zipsper in a garage in 2004 to connect local Australian businesses with consumers.

It now has 90 staff and 1.5 million visitors monthly. Last year it raised

\$6 million from Australian Ethical Investment, the Packer family-backed Ellerston Capital and KTM Capital. Iona, who was hired to revamp ageing IT infrastructure, said the previous system had reached its limits.

"It was basically a single box that had scaled to the max. It had 96K of RAM and 24 cores and we were seeing a lot of typical scale issues," he said.

He chose AWS because it offered the quickest and least aggressive ramp-up time.

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